

KrisAssets Holdings Berhad (24123-H)
(Incorporated in Malaysia)

**Interim Report
for the financial nine months ended 30 September 2007**

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Notes:

M1 to M12 are explanatory notes in accordance with FRS 134.

K1 to K13 are explanatory notes in accordance with paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

KrisAssets Holdings Berhad (24123-H)
(Incorporated in Malaysia)

Condensed Consolidated Income Statements
(The figures have not been audited)

	3 Months Current Year Quarter 30.09.2007 RM' 000	3 Months Preceding Year Quarter 30.09.2006 RM' 000	9 Months Current Year To Date 30.09.2007 RM' 000	9 Months Preceding Year To Date 30.09.2006 RM' 000
Revenue	51,648	46,084	150,288	138,243
Cost of sales	<u>(12,625)</u>	<u>(10,335)</u>	<u>(35,480)</u>	<u>(29,465)</u>
Gross profit	39,023	35,749	114,808	108,778
Other income	1,452	1,111	3,885	3,316
Interest income	1,287	1,279	4,185	3,165
Administrative expenses	<u>(6,251)</u>	<u>(5,174)</u>	<u>(19,386)</u>	<u>(14,186)</u>
Profit from operations	35,511	32,965	103,492	101,073
Finance costs	<u>(7,928)</u>	<u>(9,229)</u>	<u>(24,330)</u>	<u>(27,567)</u>
Profit before tax	27,583	23,736	79,162	73,506
Tax expense	<u>(10,697)</u>	<u>(7,821)</u>	<u>(27,107)</u>	<u>(23,458)</u>
Profit for the period	<u><u>16,886</u></u>	<u><u>15,915</u></u>	<u><u>52,055</u></u>	<u><u>50,048</u></u>
Attributable to:				
Equity holders of the Company	<u><u>16,886</u></u>	<u><u>15,915</u></u>	<u><u>52,055</u></u>	<u><u>50,048</u></u>
Earnings per share attributable to ordinary equity holders of the Company				
- basic (sen)	5.11	4.82	15.76	15.15
- diluted (sen)	5.06	N/A	15.32	N/A
Dividends per ordinary share (sen)	10.00	-	10.00	10.00

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

KrisAssets Holdings Berhad (24123-H)
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheets
(The figures have not been audited)

	As at 30.09.2007 RM '000	As at 31.12.2006 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	3,234	3,626
Investment property	<u>1,680,000</u>	<u>1,680,000</u>
	<u>1,683,234</u>	<u>1,683,626</u>
Current assets		
Inventories	28	32
Trade and other receivables	4,563	7,505
Amounts owing by related companies	1,369	2,157
Deposits with licensed banks	142,416	197,182
Cash and bank balances	<u>7,104</u>	<u>6,059</u>
	<u>155,480</u>	<u>212,935</u>
TOTAL ASSETS	<u>1,838,714</u>	<u>1,896,561</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	330,502	330,502
Share premium	376,711	376,711
Treasury shares	(220)	(220)
Capital redemption reserve	243	200
Retained earnings	145,581	97,278
Current period profit	<u>52,055</u>	<u>72,465</u>
	<u>904,872</u>	<u>876,936</u>
Warrants reserve	6,075	6,075
Total equity	<u>910,947</u>	<u>883,011</u>
Non-current liabilities		
Redeemable preference shares	50,000	93,000
Redeemable secured bonds	290,000	330,000
Bank guaranteed bonds	195,952	195,013
Deferred taxation	<u>290,088</u>	<u>290,088</u>
	<u>826,040</u>	<u>908,101</u>
Current liabilities		
Trade and other payables	55,926	55,266
Amounts owing to holding & related companies	86	7,080
Redeemable secured bonds	40,000	40,000
Taxation	<u>5,715</u>	<u>3,103</u>
	<u>101,727</u>	<u>105,449</u>
Total liabilities	<u>927,767</u>	<u>1,013,550</u>
TOTAL EQUITY AND LIABILITIES	<u>1,838,714</u>	<u>1,896,561</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>2.74</u>	<u>2.65</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

KrisAssets Holdings Berhad (24123-H)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Changes in Equity
(The figures have not been audited)

-----Attributable to equity holders of the Company -----										
Issued and fully paid ordinary shares of RM1.00 each -----Treasury shares-----										
	Number of shares '000	Nominal value RM '000	Number of shares '000	Value RM '000	Share premium RM '000	Capital redemption reserve RM '000	Retained earnings RM '000	Total RM'000	Warrants reserve RM'000	Total equity RM '000
As at 1 January 2007	330,502	330,502	(100)	(220)	376,711	200	169,743	876,936	6,075	883,011
Profit for the period	-	-	-	-	-	-	52,055	52,055	-	52,055
Redemption of RPS	-	-	-	-	-	43	(43)	-	-	-
Dividend	-	-	-	-	-	-	(24,119)	(24,119)	-	(24,119)
As at 30 September 2007	330,502	330,502	(100)	(220)	376,711	243	197,636	904,872	6,075	910,947

Condensed Consolidated Statements of Changes in Equity
(The figures have not been audited)

	----- Attributable to equity holders of the Company -----										
	Issued and fully paid ordinary shares of RM1.00 each		-----Treasury shares-----		Share premium RM '000	Capital redemption reserve RM '000	Reserves on consolidation RM '000	Retained earnings RM '000	Total RM '000	Warrants reserve RM '000	Total equity RM '000
	Number of shares '000	Nominal value RM '000	Number of shares '000	Value RM '000							
As at 1 January 2006	330,502	330,502	(100)	(220)							
Reserves on consolidation transferred to retained earnings (effects of adopting FRS 3)	-	-	-	-	-	-	(19,165)	19,165	-	-	-
Fair value adjustment on investment property as at 1 January 2006, net of tax (effects of adopting FRS 140)	-	-	-	-	-	-	-	144,000	144,000	-	144,000
Profit for the period	-	-	-	-	-	-	-	50,048	50,048	-	50,048
Issue of warrants	-	-	-	-	-	-	-	-	-	6,608	6,608
Dividends	-	-	-	-	-	-	-	(23,789)	(23,789)	-	(23,789)
As at 30 September 2006	330,502	330,502	(100)	(220)	376,711	200	-	309,280	1,016,473	6,608	1,023,081

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

Condensed Consolidated Cash Flow Statements
(The figures have not been audited)

	9 months ended 30.09.2007 RM '000	9 months ended 30.09.2006 RM '000
Operating activities		
Profit before tax	79,162	73,506
Adjustment for non-cash flow items:		
Non-cash items	917	1,144
Non-operating items (which are investing or financing)	20,145	24,402
Operating profit before changes in working capital	100,224	99,052
Net change in current assets	(3,175)	426
Net change in current liabilities	6,542	3,059
Cash flow from operations	103,591	102,537
Income taxes paid	(24,494)	(21,003)
Net cash generated from operating activities	79,097	81,534
Investing activities		
Purchase of property, plant & equipment	(622)	(657)
Proceeds from disposal of property, plant & equipment	-	20
Interest received	4,197	3,165
Net cash generated from investing activities	3,575	2,528
Financing activities		
Repayment of redeemable secured bonds	(40,000)	(30,000)
Redemption of redeemable preference shares	(43,000)	-
Proceeds from issuance of warrants	-	6,608
Interest paid	(24,994)	(26,815)
Dividend paid for redeemable preference shares	(4,280)	(14,307)
Dividend paid	(24,119)	(23,789)
Net cash used in financing activities	(136,393)	(88,303)
Net increase in cash and cash equivalents	(53,721)	(4,241)
Cash and cash equivalents at beginning of period	203,241	199,786
Cash and cash equivalents at end of period	149,520	195,545

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

**Explanatory notes to the Interim Financial Statements
for the financial period ended 30 September 2007**

M1 Basis of preparation

This interim report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard 134 "Interim Financial Reporting" issued by Malaysian Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Listing Requirements of Bursa Malaysia Securities Berhad. This interim report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2006. The accounting policies and methods of computation adopted in this interim report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2006.

M2 Auditors' report on preceding annual financial statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2006 was not subject to any audit qualification.

M3 Seasonality or cyclicity factors

The Group's operations were not materially affected by significant seasonal or cyclical factors.

M4 Significant unusual items

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows during the current financial period.

M5 Material changes in estimates

Not applicable.

M6 Debt and equity securities

Save for principal repayment of RM40 million on 14 September 2007 in relation to RM400 million nominal value redeemable secured bonds issued by Mid Valley Capital Sdn Bhd and redemption of 430,000 redeemable preference shares ("RPS") of RM0.10 each in the Company issued at RM100.00 per RPS on 26 July 2007, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares for the current financial quarter.

M7 Dividends paid

A final dividend of 10% less 27% tax on ordinary shares for the financial year ended 31 December 2006 was paid on 6 July 2007.

M8 Segment reporting

The segmental financial information by business or geographical segments is not presented as the Group is the owner and operator of Mid Valley Megamall of which the entire business is conducted in Kuala Lumpur, Malaysia.

M9 Valuations

Valuations of property, plant and equipment and investment property have been brought forward without amendment from the previous annual audited financial statements.

M10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period up to the date of this Interim Report.

M11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the date of this Interim report.

K1 Review of performance

For the current quarter ended 30 September 2007, the Group's revenue, reflecting mainly the operations of Mid Valley Megamall was RM51.648 million, representing 12.07% increase, compared with the corresponding period of RM46.084 million in 2006. This was mainly contributed by higher rental income due to higher rental income and increase in car park income.

The Group recorded a pre-tax profit for the current quarter ended 30 September 2007 of RM27.583 million, representing 16.21% increase, compared with pre-tax profit of RM23.736 million in the corresponding period in 2006. This was mainly due to the higher total rental and car park income.

K2 Comparison with immediate preceding quarter

For the current quarter ended 30 September 2007, the Group's revenue was RM51.648 million, representing 4.70% increase, compared with the immediate preceding quarter ended 30 June 2007 of RM49.330 million. This was mainly due to higher rental income in the current quarter.

The Group recorded a pre-tax profit for the current quarter ended 30 September 2007 of RM27.583 million, representing 20.24% increase, compared with pre-tax profit of RM22.940 million in the immediate preceding quarter ended 30 June 2007. This was mainly due to higher rental income.

K3 Prospects for 2007

Barring unforeseen circumstances, the Board is optimistic that the Group's financial performance for the financial year ending 31 December 2007 would be better than that of immediate preceding year.

K4 Profit forecast/profit guarantee

Not applicable.

K5 Tax

	Current quarter ended 30.09.2007 RM '000	Current year-to-date ended 30.09.2007 RM '000
Malaysian income tax (Company and subsidiaries)		
- Current financial period	8,300	26,580
- Prior financial period/year	2,397	527
	<u>10,697</u>	<u>27,107</u>

The effective tax rate for the current financial quarter and year-to-date are higher than the statutory tax rate mainly due to certain expenses are disallowed for tax deduction purposes.

K6 Unquoted investments and properties

There was no sale of unquoted investments or properties for the current financial quarter and year-to-date.

K7 Quoted securities

There was no purchase or disposal of quoted securities for the current financial quarter and year-to-date.

K8 Corporate proposals

There are no corporate proposals announced but not completed as at the date of this Interim Report.

K9 Group borrowings and debt securities

The Group's borrowings and debt securities as at 30 September 2007 were as follows:

	RM '000
Long term borrowings:	
Secured :-redeemable secured bonds	290,000
-bank guaranteed bonds	195,952
Unsecured :-redeemable preference shares	<u>50,000</u>
	<u>535,952</u>
Short term borrowings:	
Secured :-redeemable secured bonds	<u>40,000</u>
	<u>40,000</u>
TOTAL	<u>575,952</u>
Total equity as at 30 September 2007	<u>910,947</u>

K10 Financial instruments

The Group does not have any off-balance sheet financial instruments.

K11 Material litigation

The Board is not aware of any pending material litigation as at the date of this Interim Report.

K12 Dividend

The Directors have approved an interim dividend of 5% less tax for the financial year ending 31 December 2007, to be payable on 8 January 2008 to every member who is entitled to receive the dividend as at 4.00 p.m. on 17 December 2007.

K13 Earnings per share

		Current quarter ended 30.09.2007	Preceding quarter ended 30.09.2006	Current year-to-date ended 30.09.2007	Preceding year-to-date ended 30.09.2006
Profit for the period	RM '000	16,886	15,915	52,055	50,048
Weighted average number of ordinary shares in issue ^{*1}	'000	330,402	330,402	330,402	330,402
Basic earnings per share	sen	<u><u>5.11</u></u>	<u><u>4.82</u></u>	<u><u>15.76</u></u>	<u><u>15.15</u></u>
Weighted average number of ordinary shares in issue ^{*1}	'000	330,402	330,402	330,402	330,402
Adjustments for Warrants	'000	3,124	-	9,373	-
Weighted average number of ordinary shares in issue for diluted earnings per share	'000	333,526	330,402	339,775	330,402
Diluted earnings per share	sen	<u><u>5.06</u></u>	<u><u>N/A</u></u>	<u><u>15.32</u></u>	<u><u>N/A</u></u>

Note:

^{*1} After taking into consideration 100,000 treasury shares of RM1.00 each in the Company.

BY ORDER OF THE BOARD
TINA CHAN LAI YIN
Secretary

Kuala Lumpur
28 November 2007